

***OCEANPORT BOROUGH
BOARD OF EDUCATION***

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2012

***SCHOOL DISTRICT
OF THE BOROUGH OF
OCEANPORT***

***Oceanport Borough Board of Education
Oceanport, New Jersey***

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012***

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

OCEANPORT BOROUGH BOARD OF EDUCATION

OCEANPORT, NEW JERSEY

For the Fiscal Year Ended June 30, 2012

Prepared by

***The Oceanport Borough Board of Education
Finance Department***

STATE BOARD OF EDUCATION

ARCELIO APONTE..... Middlesex
President

ILAN PLAWKER..... Bergen
Vice President

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**Christopher D. Cerf, Acting Commissioner
Secretary, State Board of Education**

OCEANPORT BOROUGH BOARD OF EDUCATION OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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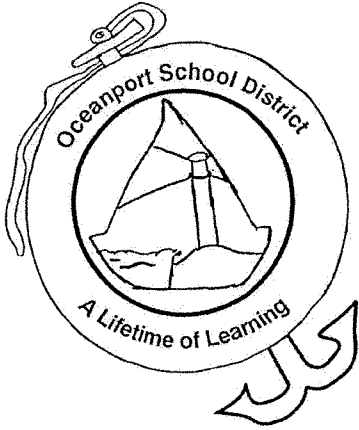
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INTRODUCTORY SECTION



Oceanport Board of Education

ADMINISTRATIVE OFFICES • 2 Maple Place • Oceanport, New Jersey 07757

Norma M. Tursi
School Business Administrator/
Board Secretary

TEL. (732) 229-0267 • EXT 1120
FAX (732) 229-0961

Andrew J. Orefice
SUPERINTENDENT

November 24, 2012

Honorable President and
Members of the Board of Education
Oceanport School District
County of Monmouth, New Jersey


Dear Board Members:

The comprehensive annual financial report of the Oceanport School District for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Oceanport Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,

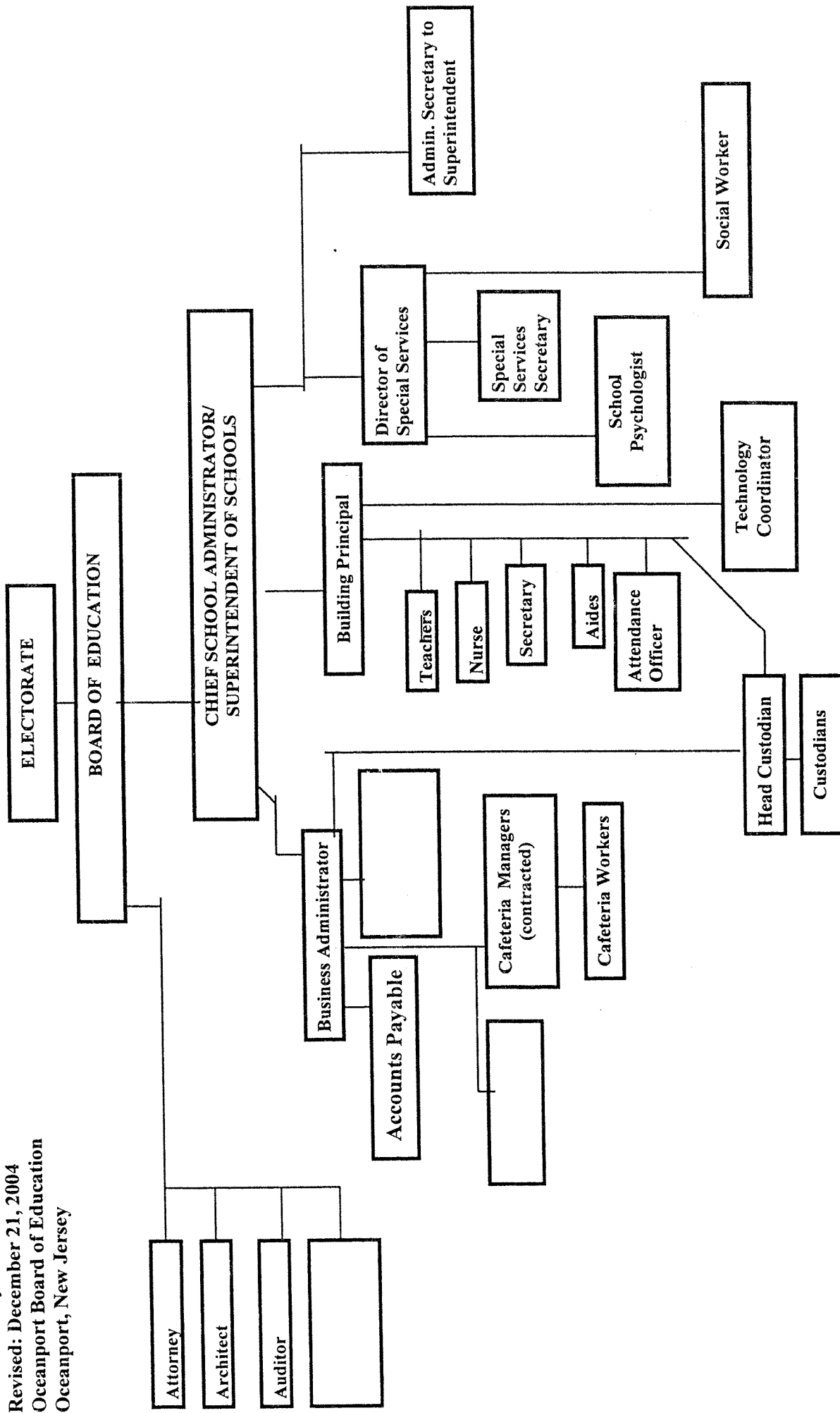

Andrew Orefice, Superintendent


Norma Tursi, Business Administrator

OCEANPORT BOARD OF EDUCATION

ORGANIZATIONAL CHART

Revised: May 15, 2001
Revised: December 21, 2004
Oceanport Board of Education
Oceanport, New Jersey



**OCEANPORT BOROUGH BOARD OF EDUCATION
OCEANPORT, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Colin Soyer, President	2012
Christopher McCrae, Vice President	2014
Kelly Mc Gowan	2012
William Mc Vitty	2013
Spencer Carpenter	2013
Mark O'Neill	2014
Madaline Badalty	2012
Joan Osgoodby	2013
Ted Gammon	2014
<u>Other Officials</u>	
Andrew Orefice, Superintendent	
Norma M. Tursi, School Business Administrator/Board Secretary	
McOmber & McOmber, Esq.	

**OCEANPORT BOROUGH BOARD OF EDUCATION
OCEANPORT, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2012**

Architect

Faridy, Veisz Fraytak
1515 Lower Ferry Road
Trenton, NJ 08628

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorney

McOmber & McOmber
54 Shrewsbury Avenue
Red Bank, NJ 07701

Official Depository

Investors Savings Bank
169 Broadway
Long Branch, NJ 07740

FINANCIAL SECTION

CANNONE AND COMPANY, P.A.
Certified Public Accountants
485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
School District of the Borough of Oceanport
County of Monmouth
Wolf Hill Avenue
Oceanport, New Jersey 07757

We have audited the accompanying general-purpose financial statements of the Oceanport Borough Board of Education, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012 as listed in the table of contents. These general-purpose financial statements are the responsibility of the Oceanport Borough Board of Education management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Oceanport Borough Board of Education in the County of Monmouth, State of New Jersey, as of June 30, 2011, and the results of its operations and the cash flows of its proprietary fund types (and similar trust fund types) for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

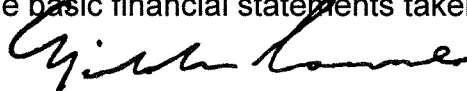
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012 on our consideration of the Oceanport Borough Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 7 through 12 and 49 through 64 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Oceanport Borough Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and schedules listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Additionally, the schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants

November 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

OCEANPORT PUBLIC SCHOOL DISTRICT BOROUGH OF OCEANPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The discussion and analysis of Oceanport Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ending June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal, which is found in the Introductory Section, and the School District's financial statements found in the Financial Section and the notes thereto.

The MD & A is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *“Basic Financial Statement -and Management's Discussion and Analysis – for State and Local Governments”* issued in June 1999.

Financial Highlights

Key Financial highlights for the 2011-12 fiscal year are as follows:

- Tuition Income has been a major revenue source for the Oceanport Board of Education, both for regular education students and special needs students.
- Other major revenue sources include the tax levy, and state and federal aid.
- The major areas of expenditures include salaries, benefits, programs and instruction, technology and building and grounds.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oceanport School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Oceanport School District, the General Fund is the most significant fund, with the Special Revenue Fund and Debt Service Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2011-12 fiscal year?” The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Fund Financial Statements

The analysis of the School District’s major (all) funds begins with exhibit B-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Permanent Funds, which are trust oriented, do not apply to the Oceanport School District.

Governmental Funds

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. In addition, the focus on the Governmental Funds is the current financial resources management focus, which relies on short term planning. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you, the reader, to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. In addition, the accountability focus is on operational accountability. The measurement focus is on economic resources, which directs itself on a more long-term vision than in governmental funds.

The School District as a Whole

Table 1 provides a summary of the School District's net assets for the fiscal year ended June 30, 2012.

	Table 1		
	Net Assets		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$1,236,976	\$377	\$1,237,353
Investments			
Receivables, net	138,703	1,110	139,813
35,735			
Inventory		1,943	1,943
Restricted assets:			
Cash and cash equivalents			
Capital reserve account – cash	40		40
Capital assets, net (Note 4):	<u>5,565,847</u>	<u>30,579</u>	<u>5,596,426</u>
Other assets			
Total Assets	\$ 6,941,566	\$ 34,009	6,975,575
<u>Liabilities</u>			
Accounts payable		72,615	72,615
Accrued Interest Expense	32,148		32,148
Interfund Payable	313,935		313,935
Deposits payable			
Payable to federal government			
Payable to state government			
Deferred revenue			
Noncurrent liabilities (Note 5):			
Due within one year	110,647		110,647
Due beyond one year	<u>2,157,066</u>		<u>2,157,066</u>
Total liabilities	2,613,796	<u>72,615</u>	2,686,411
<u>Net Assets</u>			
Invested in capital assets, net of related debt	\$3,731,111	30,579	\$3,761,690
Restricted for:			
Debt service			
Capital projects	40		40
Other purposes	864,215		864,215
Unrestricted	<u>(267,596)</u>	<u>(69,185)</u>	<u>(336,781)</u>
Total net assets	<u>\$4,327,770</u>	<u>\$(38,606)</u>	<u>\$4,289,164</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Table 2 shows the changes in net assets for the 2012 fiscal year with comparative data for 2011.

Table 2
Changes in Net Assets

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services		
Operating Grants and Contributions	\$1,030,034	\$861,708
General Revenues:		
Property Taxes	9,075,881	8,941,589
Tuition Income		
Federal and State Aid not restricted	384,085	261,945
Other Revenue	<u> </u>	<u> </u>
Total Revenues	10,490,000	10,065,242
<u>Program Expenses</u>		
Instruction	5,194,632	4,925,612
Support Services	669,812	659,094
Interest on Long Term Debt	75,794	88,112
Pupils and Instructional Staff	1,888,810	1,606,929
General Admin., School Admin, Business	849,481	768,153
Operations and Maintenance of Facilities	1,129,527	1,178,600
Pupil Transportation	410,821	494,167
Food Service	<u> </u>	<u> </u>
Total Expenses	<u>10,218,877</u>	<u>9,720,667</u>
Increase/ (Decrease) in Net Assets	<u>1,134,681</u>	<u>660,941</u>

Governmental Activities

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Interest in Compensated absences unallocated is associated with legal obligations of the district for personnel costs.

Unallocated depreciation is associated with current year depreciation expenditures for capital assets.

Food Service includes costs for food service operations.

School District's Funds

The School District uses funds to control and manage money for particular purposes. The Fund's basic financial statement allows the School District to demonstrate its stewardship over and accountability for resources received from the Oceanport Borough's taxpayer's and other entities, including Sea Bright, the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School District, and assess further the School District's overall financial health.

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School District revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School District's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules.

Capital Assets

At June 30, 2012, the School District had approximately \$3,600,000 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Table II		
Capital Assets at June 30, 2012		
Land	\$ 1,315,100	
Buildings and Improvement and Machinery and Equip.	<u>4,250,747</u>	<u>30,579</u>
Total	<u>\$5,565,847</u>	<u>\$30,579</u>

Debt Administration

Outstanding Bonds

Compensated Absences Payable

Capital Leases Payable

Economic Factors and Next Year's Budget

The Oceanport Borough is primarily a residential community, with the Monmouth Racetrack as the major ratable in the borough. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections, which is voted by the residents annually. For the 2011-12 school year, the School District was able to sustain its general fund budget through the local tax levy, state education aid, federal aid, tuition and local revenue sources. There were increases in some budgeted areas which are out of the district's control such as special education costs, personnel costs; out of district placements; and maintenance costs.

Due to the ages the buildings, the School District has seen an increased cost in maintenance of facilities over the past five years. The district continues to work aggressively in keeping a maintenance schedule of facilities to ensure that all areas are in top working order.

The Oceanport School District has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible for the students of Oceanport.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact Norma Tursi, School Business Administrator/Board Secretary at Oceanport Board of Education, 2 Maple Place, Oceanport, NJ 07757.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

Oceanport Borough Board of Education
Statement of Net Assets
6/30/2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,236,976	\$ 377	\$ 1,237,353
Investments			-
Receivables, net	138,703	1,110	139,813
Inventory		1,943	1,943
Restricted assets:			
Cash and cash equivalents			-
Capital reserve account - cash	40		40
Capital assets, net (Note 4):	5,565,847	30,579	5,596,426
Other assets			-
Total Assets	6,941,566	34,009	6,975,575
LIABILITIES			
Accounts payable		72,615	72,615
Accrued Interest Expense	32,148		32,148
Interfund Payable	313,935		313,935
Payable to federal government			-
Payable to state government			-
Deferred revenue			-
Noncurrent liabilities (Note 5):			
Due within one year	110,647		110,647
Due beyond one year	2,157,066		2,157,066
Total liabilities	2,613,796	72,615	2,686,411
NET ASSETS			
Invested in capital assets, net of related debt	3,731,111	30,579	3,761,690
Restricted for:			
Debt service			-
Capital projects	40		40
Other purposes	864,215		864,215
Unrestricted (Deficit)	(267,596)	(69,185)	(336,781)
Total net assets	\$ 4,327,770	\$ (38,606)	\$ 4,289,164

The accompanying Notes to Financial Statements are an integral part of this statement.

Oceanport Borough Board of Education
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 3,756,942	\$ 207,423	\$ 315,585	\$ 94,024	\$ (3,139,910)	\$ -	\$ (3,139,910)
Special education	1,159,807		93,633		(1,066,174)		(1,066,174)
Other special instruction	136,749		11,040		(125,709)		(125,709)
Vocational					-		-
Other instruction	141,134		11,394		(129,740)		(129,740)
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	104,091		101,002		(3,089)		(3,089)
Student & instruction related services	1,888,810		220,276		(1,668,534)		(1,668,534)
School administrative services	480,790		38,815		(441,975)		(441,975)
General and business administrative services	479,282		34,519		(444,763)		(444,763)
Plant operations and maintenance	1,129,527		80,239		(1,049,288)		(1,049,288)
Pupil transportation	410,821		33,166		(377,655)		(377,655)
Business and other support services	370,199		29,887		(340,312)		(340,312)
Unallocated Benefits					-		-
Education Jobs Fund	32,076		2,590		(29,486)		(29,486)
Compensation Absences	52,855				(52,855)		(52,855)
Interest on long-term debt	75,794		57,888		(17,906)		(17,906)
Unallocated depreciation					-		-
Total governmental activities	10,218,877	207,423	1,030,034	94,024	(8,887,396)	-	(8,887,396)
Business-type activities:							
Food Service	182,843	140,583	37,961			(4,299)	(4,299)
Total business-type activities	182,843	140,583	37,961	-	-	(4,299)	(4,299)
Total primary government	10,401,720	\$ 348,006	\$ 1,067,995	\$ 94,024	\$ (8,887,396)	\$ (4,299)	\$ (8,891,695)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net		\$ -	8,828,063		\$ -		\$ 8,828,063
Taxes levied for debt service			247,818				247,818
Federal and State aid not restricted			384,085				384,085
Investment Earnings			6,120	27			6,147
Miscellaneous Income			72,892				72,892
Adjustments:							-
Fixed Asset Writedowns/Adjustments			345,230				345,230
Transfers in - Payroll Agency			131,494				131,494
Capital Lease Payments			10,647				10,647
Total general revenues, special items, extraordinary items and transfers			10,026,349	27			-
Change in Net Assets			1,138,953	(4,272)			1,134,681
Net Assets—beginning			3,188,817	(34,334)			3,154,483
Net Assets—ending			\$ 4,327,770	\$ (38,606)			\$ 4,289,164

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

Oceanport Borough Board of Education
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,327,775		\$ (94,024)	\$ 3,225	\$ 1,236,976
Investments					-
Capital Reserve Account	40				40
Receivables, net			94,024		94,024
Due from other funds					-
Receivables - State	39,500				39,500
Accounts Receivable - Other	5,179				5,179
Receivables - Local Government					-
Inventory					-
Restricted cash and cash equivalents					-
Other assets					-
	<u>1,372,494</u>	<u>-</u>	<u>-</u>	<u>3,225</u>	<u>1,375,719</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					-
Accrued Interest					-
Interfund payable	313,935				313,935
Payable to federal government					-
Payable to state government					-
Deferred revenue					-
Total liabilities	<u>313,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,935</u>
Fund Balances:					
Reserved for:					
Encumbrances					-
Maintenance Reserve	500,000				
Emergency Reserve	250,000				
Legally restricted -- unexpended additional spending proposal					-
Legally restricted -- designated for subsequent year's expenditures					-
Capital reserve account	40				40
Excess surplus					-
Excess surplus -- designated for subsequent year's expenditures	114,215				114,215
Other purposes					-
Unreserved, reported in:					-
General fund	194,304				194,304
Special Revenue fund					-
Debt service fund				3,225	3,225
Capital projects fund					-
Permanent fund					-
Total Fund balances	<u>1,058,559</u>	<u>-</u>	<u>-</u>	<u>3,225</u>	<u>1,061,784</u>
Total liabilities and fund balances	<u>\$ 1,372,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,225</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Interest expense in the governmental funds is reported when due.

In the statement of activities, interest on long-term debt is accrued. (32,148)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,895,089 and the accumulated depreciation is \$3,329,242 (See Note 4). 5,565,847

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5) (2,267,713)

Net assets of governmental activities \$ 4,327,770

Oceanport Borough Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 8,828,063			\$ 247,818	\$ 9,075,881
Transportation Fees					-
Rental Facilities					-
Interest on Investments	6,120				6,120
Tuition charges	207,423				207,423
Interest Earned on Capital Reserve Funds					-
Miscellaneous	72,892				72,892
Total - Local Sources	9,114,498	-	-	247,818	9,362,316
State sources	1,145,122		94,024	57,888	1,297,034
Federal sources	23,274	187,835			211,109
Total revenues	10,282,894	187,835	94,024	305,706	10,870,459
EXPENDITURES					
Current:					
Regular instruction	2,716,327	13,361			2,729,688
Special education instruction	841,551				841,551
Other special instruction	99,225				99,225
Vocational education					-
Other instruction	102,406				102,406
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	2,438	100,731			103,169
Student & instruction related services	1,317,005	73,743			1,390,748
School administrative services	348,859				348,859
Other administrative services	310,254				310,254
Plant operations and maintenance	721,168				721,168
Pupil transportation	298,090				298,090
Business and other support services	268,615				268,615
Unallocated benefits	1,881,543				1,881,543
Allocated benefits	784,311				784,311
Special schools					-
Transfer to charter school					-
Debt service:					
Principal				224,000	224,000
Interest and other charges				78,481	78,481
Capital outlay	581		352,675		353,256
Education Jobs Fund	23,274				23,274
Total expenditures	9,715,647	187,835	352,675	302,481	10,558,638
Excess (Deficiency) of revenues over expenditures	567,247	-	(258,651)	3,225	311,821
OTHER FINANCING SOURCES (USES)					
Proceeds - Issuance of Bonds					-
Capital leases (non-budgeted)					-
Unrecorded accounts payable					-
Transfers - Capital Reserve	-				-
Transfers in - Payroll Agency	131,494		-		131,494
Transfers out	(258,651)		258,651		-
Total other financing sources and uses	(127,157)	-	258,651	-	131,494
Net change in fund balances	440,090	-	-	3,225	443,315
Fund balance—July 1	618,469				618,469
Fund balance—June 30	\$ 1,058,559	\$ -	\$ -	\$ 3,225	\$ 1,061,784

Oceanport Borough Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) **\$ 443,315**

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (187,327)	
Capital Outlays	353,256	
Fixed Asset Writedowns/Adjustments	<u>345,230</u>	
	\$	511,159

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Repayment of Bond Principal	\$	224,000
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Payment of long-term liabilities is an expenditure in the governmental funds and reduces long-term liabilities in the statement of net assets.

Capital Lease Payments	\$	10,647
------------------------	----	--------

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt		
Accrued interest received on bond insurance		
Acceptance of Voluntary Separation Program		
Capital lease proceeds		
	<u> </u>	-

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior year accrued interest on long term debt which was paid in the current year	34,835	
Current year accrued interest on long term debt which was not paid in the current year	(32,148)	
Increase in Compensated Absences Payable	<u>(52,855)</u>	
		(50,168)

Change in net assets of governmental activities	\$	<u>1,138,953</u>
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PROPRIETARY FUNDS

**Oceanport Borough Board of Education
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 377	\$ 377
Investments		
Accounts receivable	1,110	1,110
Other receivables		
Inventories	1,943	1,943
Total current assets	<u>3,430</u>	<u>3,430</u>
Noncurrent assets:		
Restricted cash and cash equivalents		
Furniture, machinery & equipment	228,723	228,723
Less accumulated depreciation	<u>(198,144)</u>	<u>(198,144)</u>
Total noncurrent assets	<u>30,579</u>	<u>30,579</u>
Total assets	<u><u>34,009</u></u>	<u><u>34,009</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	72,615	72,615
Deposits payable		-
Compensated absences		
Total current liabilities	<u>72,615</u>	<u>72,615</u>
Noncurrent Liabilities:		
Compensated absences		
Total noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>72,615</u>	<u>72,615</u>
NET ASSETS		
Invested in capital assets net of related debt	30,579	30,579
Restricted for:		
Capital projects		
Unrestricted	<u>(69,185)</u>	<u>(69,185)</u>
Total net assets	<u><u>\$ (38,606)</u></u>	<u><u>\$ (38,606)</u></u>

Exhibit B-5

Oceanport Borough Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 89,937	\$ 89,937
Daily sales - non-reimbursable programs	50,646	50,646
Miscellaneous		-
Total operating revenues	<u>140,583</u>	<u>140,583</u>
Operating expenses:		
Cost of sales	51,063	51,063
Salaries	81,333	81,333
Management and Audit Fee	8,820	8,820
Purchased property service		-
Other purchased professional services		-
Cleaning, repair and maintenance services	6,935	6,935
Depreciation	5,472	5,472
Insurance	8,610	8,610
Supplies and Materials	7,079	7,079
Miscellaneous expense	193	193
Food Distribution Program	13,338	13,338
Total Operating Expenses	<u>182,843</u>	<u>182,843</u>
Operating income (loss)	<u>(42,260)</u>	<u>(42,260)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,696	1,696
Federal sources:		
National school lunch program	22,927	22,927
Special milk program		-
Food Distribution Program	13,338	13,338
Interest and investment revenue	27	27
Total nonoperating revenues (expenses)	<u>37,988</u>	<u>37,988</u>
Income (loss) before contributions & transfers	<u>(4,272)</u>	<u>(4,272)</u>
Capital contributions		-
Fixed Assets-Adjustment		-
Transfers in (out)		
Change in net assets	<u>(4,272)</u>	<u>(4,272)</u>
Total net assets—beginning	<u>(34,334)</u>	<u>(34,334)</u>
Total net assets—ending	<u>\$ (38,606)</u>	<u>\$ (38,606)</u>

Oceanport Borough Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ (24,657)	\$ (24,657)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	(24,657)	(24,657)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,696	1,696
Federal Sources	22,927	22,927
Operating subsidies and transfers to other funds		-
Net cash provided by (used for) non-capital financing activities	24,623	24,623
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on sale of fixed assets (proceeds)		-
Net cash provided by (used for) capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	27	27
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	27	27
Net increase (decrease) in cash and cash equivalents	(7)	(7)
Balances—beginning of year	384	384
Balances—end of year	\$ 377	\$ 377
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (42,260)	(42,260)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	5,472	5,472
(Increase) decrease in accounts receivable	(54)	(54)
(Increase) decrease in inventories	709	709
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable	(1,862)	(1,862)
Food Commodities Program	13,338	13,338
Total adjustments	17,603	17,603
Net cash provided by (used for) operating activities	\$ (24,657)	\$ (24,657)

FIDUCIARY FUNDS

Oceanport Borough Board of Education
Statement of Fiduciary Net Assets
Fiduciary Funds
6/30/2012

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	
		<u>Student Activity</u>	<u>Payroll</u>
ASSETS			
Cash and cash equivalents	\$ 185,462	\$ 29,989	\$ 5,306
Investments, at fair value:			
U.S. government obligations			
NJ municipal bonds			
Due from General Fund			312,825
Total investments	-	-	312,825
Total assets	185,462	29,989	\$ 318,131
LIABILITIES			
Accounts payable			
Payable to district			
Payable to student groups		29,989	
Accrued salaries and wages			312,825
Payroll deductions and withholdings			5,306
Total liabilities	-	29,989	\$ 318,131
NET ASSETS			
Held in trust for unemployment claims and other purposes	\$ 185,462		
Reserved for scholarships		\$ -	\$ -

Exhibit B-8

**Oceanport Borough Board of Education
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

**Unemployment
Compensation Trust**

ADDITIONS

Contributions:	
Plan member	\$ 100,000
Other	
Total Contributions	<u>100,000</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	
Interest	322
Dividends	
Less investment expense	
Net investment earnings	<u>322</u>
Total additions	<u>100,322</u>

DEDUCTIONS

Quarterly contribution reports	
Unemployment claims	28,162
Scholarships awarded	
Refunds of contributions	
Administrative expenses	
Total deductions	<u>28,162</u>
Change in net assets	<u>72,160</u>
Net assets—beginning of the year	113,302
Net assets—end of the year	<u><u>\$ 185,462</u></u>

NOTES TO THE FINANCIAL STATEMENTS

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the School District of the Borough of Oceanport (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This Statement provides for the most significant change in financial reporting in over twenty years. The District implemented the new model during the 2004 school year. In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended.

A. Reporting Entity:

The Oceanport Borough Board of Education is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary school and a middle school located in the Borough of Oceanport. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (continued):

fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2012.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$ 10,303,974	\$ 187,835
Adjust for State Aid Payment		
Add: Prior Year Payment	14,658	
Less: Current Year Payment	(35,738)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
	<hr/>	<hr/>
Total Revenues (GAAP Basis)	\$ 10,282,894	\$ 187,835
	<hr/>	<hr/>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 9,715,647	\$ 187,835
Adjustments:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
	<hr/>	<hr/>
Total Expenditures (GAAP Basis)	\$ 9,715,647	\$ 187,835
	<hr/>	<hr/>

E. Encumbrances:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Tuition Receivable/Payable

Tuition charges are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year.

Accordingly, the tuition rate adjustments for the years 2008-2009 have been certified and finalized. Tuition charges for the years subsequent to the years 2008-2009 have been estimated and projected based on calculated tuition costs per pupil and number of students.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

I. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fixed Assets (continued):

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

J. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 2. RETROACTIVE REINSTATEMENT DUE TO CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle:

GASB #34 was implemented in the School District in the fiscal year ending June 30, 2004. As a result of this implementation, the net assets of the District were restated to reflect the changes in accounting principles associated with this pronouncement. This conversion resulted in an increase to Net Assets of \$2,871,712. The following schedule explains the nature of this restatement:

Beginning Fund Balance/Net Assets Adjustment:

June 30, 2003 Fund Balance as Previously Stated	\$ 440,100
Change in Accounting Principle:	
Investment in Fixed Assets (Net of Related Debt, Accumulated Deprecation, Disposal and Adjustments of Fixed Assets)	2,839,479
Compensated Absences Payable	<u>(407,867)</u>
June 30, 2003 Fund Balance/Net Assets Restated	<u><u>\$ 2,871,712</u></u>

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued):

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2012, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 1,458,150 =====

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2011, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings and New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 1,458,150
2	0
3	0
	<u>\$ 1,458,150</u>

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
<i>Capital assets not being depreciated:</i>					
Land	1,315,100				1,315,100
Construction Progress	-				-
Total capital assets not being depreciated	<u>1,315,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,315,100</u>
<i>Capital assets being depreciated:</i>					
Building and building improvements	6,492,142	352,675		128,345	6,973,162
Machinery and equipment	<u>803,014</u>	<u>14,497</u>	<u>(225,489)</u>	<u>14,805</u>	<u>606,827</u>
Totals at historical cost	<u>7,295,156</u>	<u>367,172</u>	<u>(225,489)</u>	<u>143,150</u>	<u>7,579,989</u>
Less accumulated depreciation for :					
Building and improvements	2,891,185	135,630		(134,112)	2,892,703
Equipment	<u>664,383</u>	<u>51,697</u>	<u>(169,540)</u>	<u>(110,001)</u>	<u>436,539</u>
Total	<u>3,555,568</u>	<u>187,327</u>	<u>(169,540)</u>	<u>(244,113)</u>	<u>3,329,242</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>3,739,588</u>	<u>179,845</u>	<u>(55,949)</u>	<u>387,263</u>	<u>4,250,747</u>
Governmental activity capital assets, net	<u>\$ 5,054,688</u>	<u>\$ 179,845</u>	<u>\$ (55,949)</u>	<u>\$ 387,263</u>	<u>\$ 5,565,847</u>
Business-type activities:					
<i>Capital assets being depreciated:</i>					
Equipment	\$ 228,723				228,723
Less accumulated depreciation	<u>192,672</u>	<u>5,472</u>			<u>198,144</u>
Enterprise fund capital assets, net	<u>\$ 36,051</u>	<u>\$ (5,472)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,579</u>

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

General and Business Administrative Services	\$ 51,697
Plant Operations and Maintenance	135,630
Unallocated	-
Total	<u>\$ 187,327</u>

NOTE 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2011	Issued	Retired	Balance 6/30/2012	Amounts Due within One Year
Compensated Absences Payable	\$ 380,122	\$ 52,855	\$ -	\$ 432,977	
Bonds Payable	2,019,000		224,000	\$ 1,795,000	100,000
Capital Leases Payable	<u>50,383</u>	<u>-</u>	<u>10,647</u>	<u>\$ 39,736</u>	<u>10,647</u>
	<u>\$ 2,449,505</u>	<u>\$ 52,855</u>	<u>\$ 234,647</u>	<u>\$ 2,267,713</u>	<u>\$ 110,647</u>

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable:

The Board of Education authorized the issuance of Refunding School Bonds during the fiscal year ended June 30, 2006 in the amount of \$732,000.

The purpose of the bonds was to (i) advance refund all of the \$826,000 aggregate principal amount of School Bonds of the Board dated January 2, 1997 originally issued in the principal amount of \$14,999,000 maturing on or after February 1, 2012 and (ii) pay the costs of issuance associated with the Bonds.

These funds were originally borrowed from the Monmouth County Improvement Authority and maintained an interest rate which was calculated from time to time by the Administrator of the "Pooled" Government Program of the Authority. The refunded bonds currently outstanding do not maintain a variable rate of interest.

On December 15, 2006, the District issued \$2,135,500 of School Bonds for the purpose of providing construction of alterations and renovations at its two schools.

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal due on the bonds outstanding is as follows:

<u>Year</u>	<u>Construction School Bonds Principal</u>	<u>Total</u>
2012	\$ 100,000	\$ 100,000
2013	105,000	105,000
2014	110,000	110,000
2015	115,000	115,000
2016	120,000	120,000
2017	125,000	125,000
2018	130,000	130,000
2019	135,000	135,000
2020	135,000	135,000
2021	140,000	140,000
2022	140,000	140,000
2023	145,000	145,000
2024	145,000	145,000
2025	150,000	150,000
2026	-	-
Total	<u>\$ 1,795,000</u>	<u>\$ 1,795,000</u>

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

B. Capital Leases Payable:

The District is leasing a copier and two buses under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2012.

Year ending June 30,	<u>Total</u>
2013	\$ 11,407
2014	11,407
2015	11,407
2016	<u>7,605</u>
Total Minimum Lease Payments	41,826
Less Interest:	<u>(2,090)</u>
Total Principal Payments	<u><u>\$ 39,736</u></u>

NOTE 6. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirements, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members accounts.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6. PENSION PLANS (Continued)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$454,011 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$330,300 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 7. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 7. POST-EMPLOYMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144. million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

For the fiscal year ended June 30, 2012, the State of New Jersey contributed on behalf of the District \$454,011 to the TPAF for post-retirement benefits.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 313,935
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund	1,110	
Trust and Agency Fund	<u>312,825</u>	<u> </u>
	<u>\$ 313,935</u>	<u>\$ 313,935</u>

These amounts represent temporary advances between the various funds.

NOTE 9. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2007-2008 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 10. LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District.

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account has been established by the Oceanport Borough Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2012, the District had actual interest earnings of \$0. By board resolution, the district withdrew \$0 from the capital reserve for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 12. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$0.

NOTE 13. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

**OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Board offers several plan administrators for its employees to utilize.

NOTE 15. RISK MANAGEMENT

The Board has contracted with a commercial insurance company to provide coverage for various losses caused by the Board on its employees for losses sustained through other acts. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section (Exhibit J-20).

The Board also maintains surety bond coverage on key financial employees.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

NOTE 16. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 17. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	8,828,063	\$ -	\$ 8,828,063	\$ 8,828,063	\$ -
Tuition Fees From Other LEAs		-		42,578	42,578
Tuition Fees From Individuals		-		164,845	164,845
Transportation Fees		-			-
Interest on Investments - Capital Reserve	1	(1)			-
Interest on Investments - Other		-		6,120	6,120
Miscellaneous		-		72,892	72,892
Total - Local Sources	<u>8,828,064</u>	<u>(1)</u>	<u>8,828,063</u>	<u>9,114,498</u>	<u>286,435</u>
State Sources:					
Transportation Aid		-			-
Special Education Aid	329,730	-	329,730	329,730	-
Security Aid	11,826	(11,826)		11,826	11,826
Extraordinary Aid		-		6,942	6,942
Adjustment Aid	33,393	(33,393)		33,393	33,393
Consolidated Aid		-			-
Transportation Aid - Nonpublic		-			-
TPAF Pension (On-Behalf - Non-Budgeted)		-		150,822	150,822
TPAF Post-Retirement Medical (On-Behalf Non Budgeted)		-		303,189	303,189
TPAF Social Security (Reimbursed - Non-Budgeted)		-		330,300	330,300
Total State Sources	<u>374,949</u>	<u>(45,219)</u>	<u>329,730</u>	<u>1,166,202</u>	<u>836,472</u>
Federal Sources:					
Education Jobs Fund	22,567	-	22,567	23,274	707
Medical Assistance Program		-			-
Total - Federal Sources	<u>22,567</u>	<u>-</u>	<u>22,567</u>	<u>23,274</u>	<u>707</u>
Total Revenues	<u>9,225,580</u>	<u>(45,220)</u>	<u>9,180,360</u>	<u>10,303,974</u>	<u>1,123,614</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	206,700	(7,157)	199,543	199,543	-
Grades 1-5 - Salaries of Teachers	1,348,120	(3,338)	1,344,782	1,344,782	-
Grades 6-8 - Salaries of Teachers	1,158,750	(93,286)	1,065,464	1,065,464	-
Grades 9-12 - Salaries of Teachers		-			-
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000	3,363	9,363	9,363	-
Purchased Professional-Educational Services		-			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)	10,000	(6,086)	3,914	3,914	-
General Supplies	90,000	(1,401)	88,599	88,599	-
Textbooks	15,000	(14,338)	662	662	-
Other Objects	4,000	-	4,000	4,000	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,838,570</u>	<u>(122,243)</u>	<u>2,716,327</u>	<u>2,716,327</u>	<u>-</u>

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers					-
Other Salaries for Instruction					-
Purchased Professional-Educational Services					-
Purchased Technical Services					-
Other Purchased Services (400-500 series)					-
General Supplies					-
Textbooks					-
Other Objects		-			-
Total Cognitive - Mild	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cognitive - Moderate:					
Salaries of Teachers	148,400	(67,860)	80,540	80,540	-
Other Salaries for Instruction	60,772	(9,611)	51,161	51,161	-
Purchased Professional-Educational Services	40,000	-	40,000	13,570	26,430
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	(44)	1,956	1,956	-
Textbooks	2,000	(1,000)	1,000	1,000	-
Other Objects		-			-
Total Cognitive - Moderate	<u>253,172</u>	<u>(78,515)</u>	<u>174,657</u>	<u>148,227</u>	<u>26,430</u>
Learning and/or Language Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	425,466	29,348	454,814	454,814	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	3,000	79	3,079	3,079	-
Textbooks	1,000	(181)	819	819	-
Other Objects		-			-
Total Resource Room/Resource Center	<u>429,466</u>	<u>29,246</u>	<u>458,712</u>	<u>458,712</u>	<u>-</u>
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	131,000	45,393	176,393	176,393	-
Other Salaries for Instruction	40,373	15,340	55,713	55,713	-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,000	1,506	2,506	2,506	-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Part-Time	<u>172,373</u>	<u>62,239</u>	<u>234,612</u>	<u>234,612</u>	<u>-</u>

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Full-Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cognitive - Severe:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Severe	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>855,011</u>	<u>12,970</u>	<u>867,981</u>	<u>841,551</u>	<u>26,430</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	41,040	58,060	99,100	99,100	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	250	(125)	125	125	-
Textbooks	250	(250)	-	-	-
Other Objects		-			-
Total Basic Skills/Remedial - Instruction	<u>41,540</u>	<u>57,685</u>	<u>99,225</u>	<u>99,225</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	250	350	600	600	-
Textbooks		-			-
Other Objects		-			-
Total Bilingual Education - Instruction	<u>250</u>	<u>350</u>	<u>600</u>	<u>600</u>	<u>-</u>
School-Spon. Athletics - Inst.					
Salaries of Teachers	45,000	(9,501)	35,499	24,919	10,580
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	188	2,188	2,188	-
Textbooks		-			-
Other Objects	1,500	140	1,640	1,640	-
Total School-Spon. Athletics - Inst.	<u>48,500</u>	<u>(9,173)</u>	<u>39,327</u>	<u>28,747</u>	<u>10,580</u>

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	72,000	(7,126)	64,874	64,874	-
Purchased Services (300-500 series)	200	243	443	443	-
Supplies and Materials	3,000	-	3,000	3,000	-
Other Objects	5,000	(258)	4,742	4,742	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total School-Spon. Cocurricular Actvts. - Inst.	80,200	(7,141)	73,059	73,059	-
Other Instructional Programs - Community Service					
Salaries	-	-	-	-	-
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total Other Instructional Programs - Community Service	-	-	-	-	-
Total Instruction	3,864,071	(67,552)	3,796,519	3,759,509	37,010
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	-	-	-	-	-
Tuition to Private Schools for the Handicapped - Within State	2,438	2,438	2,438	2,438	-
Tuition to Private Schools for the Handicapped - Outside NJ	-	-	-	-	-
Tuition -County Voc School-Regular	-	-	-	-	-
Tuition -County Voc School-Special	-	-	-	-	-
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	-	-	-	-	-
Tuition - Other Lea Within State-Regular	-	-	-	-	-
Tuition - Other Lea Within State-Special	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	-	2,438	2,438	2,438	-
Undistributed Expend. - Speech & Social Work					
Salaries	1,000	-	1,000	1,000	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	100	-	100	100	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Speech & Social Work	1,100	-	1,100	1,100	-
Undist. Expend. - Health Services					
Salaries	154,168	2,099	156,267	155,201	1,066
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	3,000	(22)	2,978	2,978	-
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Health Services	157,168	2,077	159,245	158,179	1,066
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	140,300	(3,506)	136,794	136,794	-
Purchased Professional - Educational Services	-	-	-	-	-
Supplies and Materials	1,000	(84)	916	916	-
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	141,300	(3,590)	137,710	137,710	-
Undist. Expend. - Other Supp. Serv. - Extraordinary Services					
Salaries of Other Professional Staff	286,501	99,688	386,189	386,189	-
Purchased Professional - Educational Services	40,000	8,466	48,466	48,466	-
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Other Supp. Serv. - Extraordinary Services	326,501	108,154	434,655	434,655	-

Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	51,400	-	51,400	51,400	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	12,000	(1,797)	10,203	10,203	-
Other Objects		-			-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	<u>63,400</u>	<u>(1,797)</u>	<u>61,603</u>	<u>61,603</u>	<u>-</u>
Undist. Expend. - Other Supp. Serv. Students - Special					
Salaries of Other Professional Staff	292,410	(6,884)	285,526	285,526	-
Salaries of Secretarial and Clerical Assistants	42,755	(499)	42,256	42,256	-
Purchased Prof- Educational Services	3,500	1,388	4,888	4,888	-
Other Purch Prof. and Tech. Services		-			-
Supplies and Materials	14,000	(1,177)	12,823	12,823	-
Other Objects	5,000	814	5,814	5,814	-
Total Undist. Expend. - Other Supp. Serv. Students - Special	<u>357,665</u>	<u>(6,358)</u>	<u>351,307</u>	<u>351,307</u>	<u>-</u>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction		-			-
Salaries of Other Professional Staff		-			-
Salaries of Secr and Clerical Assist.		-			-
Other Salaries		-			-
Purchased Prof- Educational Services		-			-
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	79,700	1,790	81,490	81,490	-
Salaries of Technology Coordinators	63,550	(310)	63,240	63,240	-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	5,000	(24)	4,976	4,952	24
Other Objects		-			-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>148,250</u>	<u>1,456</u>	<u>149,706</u>	<u>149,682</u>	<u>24</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction		-			-
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assist	16,000	(1,823)	14,177	14,177	-
Other Salaries		-			-
Purchased Professional - Educational Service	9,000	(2,353)	6,647	6,647	-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)	4,000	(2,056)	1,944	1,944	-
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Instructional Staff Training Serv.	<u>29,000</u>	<u>(6,232)</u>	<u>22,768</u>	<u>22,768</u>	<u>-</u>

Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	184,947	(4,035)	180,912	180,912	-
Legal Services	20,000	6,290	26,290	26,290	-
Other Purchased Professional Services	17,500	(1,000)	16,500	16,500	-
Communications/Telephone	15,000	8,597	23,597	23,597	-
Other Purchased Services (400-500 series)	10,000	(10,000)	-	-	-
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
General Supplies	2,000	739	2,739	2,739	-
Judgements Against The School Dist.	-	-	-	-	-
Miscellaneous Expenditures	10,000	44,687	54,687	54,687	-
BOE Memberships, Dues, & Fees	6,000	(471)	5,529	5,529	-
Total Undist. Expend. - Supp. Serv. - General Admin.	265,447	44,807	310,254	310,254	-
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	205,000	(200)	204,800	204,800	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	128,070	(28,185)	99,885	99,885	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	20,000	(2,607)	17,393	17,393	-
Supplies and Materials	13,000	2,095	15,095	15,095	-
Rental	-	-	-	-	-
Other Objects	12,500	(814)	11,686	11,686	-
Total Undist. Expend. - Support Serv. - School Admin.	378,570	(29,711)	348,859	348,859	-
Undist. Expend. - Support Serv. - Central Services					
Salaries	148,910	(7,910)	141,000	141,000	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	1,000	312	1,312	1,312	-
Supplies and Materials	3,500	(12)	3,488	3,488	-
Miscellaneous Expenditures	4,000	(1,155)	2,845	2,845	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Support Serv. - Central Services	157,410	(8,765)	148,645	148,645	-
Undist. Expend. - Support Serv. - Admin Info Technology					
Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	120,000	(29)	119,971	119,971	-
Miscellaneous Expenditures	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Support Serv. - Admin Info Technology	120,000	(29)	119,971	119,971	-

Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Required Maint.- School Facilities					
Salaries		-			-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Salaries of Other Professional Staff		-			-
Cleaning, Repair and Maintenance Services	115,000	6,423	121,423	121,423	-
Other Purchased Property Services		-			-
Insurance		-			-
Miscellaneous Purchased Services-Rental		-			-
General Supplies		-			-
Energy (Energy and Electricity)		-			-
Other Objects		-			-
Total Undist. Expend. - Required Maint.- School Facilities	<u>115,000</u>	<u>6,423</u>	<u>121,423</u>	<u>121,423</u>	<u>-</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	217,310	12,086	229,396	229,396	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Cleaning, Repair and Maintenance Services	31,300	19,808	51,108	51,108	-
Other Purchased Property Services	30,000	(6,711)	23,289	23,289	-
Insurance	48,300	5,959	54,259	54,259	-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	22,000	588	22,588	22,588	-
Energy (Energy and Electricity)	220,000	(38,034)	181,966	181,966	-
Other Objects	20,239	16,900	37,139	37,139	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>589,149</u>	<u>10,596</u>	<u>599,745</u>	<u>599,745</u>	<u>-</u>
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries - (Between Home and School) - Reg	10,000	(2,800)	7,200	7,200	-
Salaries - (Between Home and School) - Spec Ed.	2,000	4,427	6,427	4,224	2,203
Salaries - (Other than Bet. Home and School)		-			-
Cleaning, Repair and Maintenance Services	4,000	(2,114)	1,886	1,886	-
Lease Pur. Pmts.-Schl Buses		-			-
Contract Services - (Other than Bet. Home and School) - Vendors		-			-
Contract Services - (Between Home and School) - Vendors	165,000	7,462	172,462	172,462	-
Contract Services - (Special Ed Stds) - Vendors		-			-
Contract Services - (Special Ed Stds) - Joint		-			-
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA	85,000	(20,987)	64,013	64,013	-
Contract Services - Aid in Lieu Of Payments-NonPub Sch	40,000	8,305	48,305	48,305	-
Miscellaneous Purchased Services-Transportation		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Student Transportation Serv.	<u>306,000</u>	<u>(5,707)</u>	<u>300,293</u>	<u>298,090</u>	<u>2,203</u>
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Insurance		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	150,000	-	150,000	64,911	85,089
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - Regular	108,000	(5,595)	102,405	102,405	-
Interest for Lease Purchase		-			-
Unemployment Compensation	100,000	-	100,000	100,000	-
Workmen's Compensation	75,000	(35,011)	39,989	39,989	-
Health Benefits	1,600,000	-	1,600,000	1,529,842	70,158
Tuition Reimbursement	50,000	(16,804)	33,196	33,196	-
Other Employee Benefits		11,200	11,200	11,200	-
TOTAL UNALLOCATED BENEFITS	2,083,000	(46,210)	2,036,790	1,881,543	155,247
On-behalf TPAF Pension Contributions (non-budgeted)		-		150,822	(150,822)
On-behalf TPAF Post-Retirement Medical (non-budgeted)		-		303,189	(303,189)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		330,300	(330,300)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	784,311	(784,311)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,083,000	(46,210)	2,036,790	2,665,854	(629,064)
TOTAL UNDISTRIBUTED EXPENDITURES	5,238,960	67,552	5,306,512	5,932,283	(625,771)
TOTAL GENERAL CURRENT EXPENSE	9,103,031	-	9,103,031	9,691,792	(588,761)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve		-			-
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction		-			-
Undist.Expend.-Support Serv.-Students - Reg.		-			-
Undist.Expend.-Support Serv. - Inst. Staff		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	-	-	-	-	-

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Construction Services		-			-
Other Purchased Prof. Service		-		581	(581)
Capital Reserve Transfer to Capital Project		-			-
Total Facilities Acquisition and Construction Services	-	-	-	581	(581)
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-			-
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
TOTAL CAPITAL OUTLAY	-	-	-	581	(581)
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	-	-	-	-	-
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	-	-	-	-	-
Total Summer School	-	-	-	-	-
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	-	-	-	-	-
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	-	-	-	-	-
Total Other Special Schools	-	-	-	-	-

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	-	-	-	-	-
Total Accred. Even./Adult H.S./Post-Grad.	-	-	-	-	-
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
		-			-
Total Adult Education-Local-Instruction	-	-	-	-	-
Adult Education-Local -Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
		-			-
Total Adult Education-Local -Support Serv.	-	-	-	-	-
Total Adult Education-Local	-	-	-	-	-
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
		-			-
Total Vocational Evening-Local-Instruction	-	-	-	-	-
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
		-			-
Total Vocational Evening-Local-Support Serv.	-	-	-	-	-
Total Vocational Evening-Local	-	-	-	-	-

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Even.-Sch.-Foreign-Born-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Education Jobs Fund	-	23,274	23,274	23,274	-
Transfer of Funds to Charter Schools					-
TOTAL EXPENDITURES	<u>9,103,031</u>	<u>23,274</u>	<u>9,126,305</u>	<u>9,715,647</u>	<u>(589,342)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>122,549</u>	<u>(68,494)</u>	<u>54,055</u>	<u>588,327</u>	<u>534,272</u>
Other Financing Sources(Uses):					
Operating Transfer In:					
Transfers - Payroll Agency		-		131,494	131,494
Capital Leases (non-budgeted)		-			-
Operating Transfer Out:					
Transfers Out - Capital Projects		-		(258,651)	(258,651)
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>(127,157)</u>	<u>(127,157)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>122,549</u>	<u>(68,494)</u>	<u>54,055</u>	<u>461,170</u>	<u>407,115</u>
Fund Balance, July 1	<u>268,913</u>	<u>154,863</u>	<u>423,776</u>	<u>633,127</u>	<u>(209,351)</u>
Fund Balance, June 30	<u>\$ 391,462</u>	<u>\$ 86,369</u>	<u>\$ 477,831</u>	<u>\$ 1,094,297</u>	<u>\$ 197,764</u>
Recapitulation:					
Reserve for encumbrances					
Reserved Fund Balance - Excess Surplus					
Excess Surplus - Designated for Subsequent Year Expenditures				114,215	
Capital Reserve				40	
Maintenance Reserve				500,000	
Emergency Reserve				250,000	
Unrestricted Fund Balance				230,042	
				<u>1,094,297</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(35,738)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,058,559</u>	

**Oceanport Borough Board of Education
General Fund
Education Jobs Fund Program - Budget and Actual
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Federal Sources			
Education Jobs Fund	<u>22,567</u>	<u>23,274</u>	<u>\$ 707</u>
Total Federal Sources	<u>22,567</u>	<u>23,274</u>	<u>707</u>
Total Revenues	<u><u>22,567</u></u>	<u><u>23,274</u></u>	<u><u>707</u></u>
 EXPENDITURES:			
Undistributed Expenditures - Support Services - School Administration			
Salaries of Other Professional Staff	23,274	23,274	-
Benefits			-
Dental			-
Total Undistributed Expenditures - Support Services - School Administration	<u>23,274</u>	<u>23,274</u>	<u>-</u>
Total Undistributed Expenditures	<u>23,274</u>	<u>23,274</u>	<u>-</u>
Total Expenditures	<u><u>23,274</u></u>	<u><u>23,274</u></u>	<u><u>-</u></u>

Oceanport Borough Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	-	-	-	\$	-
State Sources	-	-	-	-	-
Federal Sources	147,477	40,358	187,835	187,835	-
Total Revenues	147,477	40,358	187,835	187,835	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	11,325	2,036	13,361	13,361	-
Purchased Professional and Technical Services	-	-	-	-	-
Supplies and Materials	9,177	2,295	11,472	-	11,472
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Tuition	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	20,502	4,331	24,833	13,361	11,472
Support Services					
Salaries of Other Professional Staff	-	-	-	55,420	(55,420)
Salaries of Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	32,068	36,027	68,095	-	68,095
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional Services	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services Transportation	-	-	-	-	-
Tuition	94,907	-	94,907	100,731	(5,824)
Travel	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	-	-	-	18,323	(18,323)
Other Objects	-	-	-	-	-
Total Support Services	126,975	36,027	163,002	174,474	(11,472)

Oceanport Borough Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings	-	-			-
Instructional Equipment	-	-			-
Noninstructional Equipment	-	-			-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Transfer to Charter School					
Total Expenditures	147,477	40,358	187,835	187,835	-
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-			-
Transfer Out to Whole School Reform (General Fund)	-	-			-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	147,477	40,358	187,835	187,835	-
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Oceanport Borough Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2011**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 10,303,974	[C-2]	\$ 187,835
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(35,738)		
Prior year state aid payment recognized for GAAP purposes in current year		14,658		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 10,282,894</u>	[B-2]	<u>\$ 187,835</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	9,715,647	[C-2]	187,835
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 9,715,647</u>	[B-2]	<u>\$ 187,835</u>

OTHER SUPPLEMENTARY INFORMATION

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Oceanport Borough Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Title I	Title II Part A	I.D.E.A. Part B		Total
			Basic (2011-2012)	Preschool (2011-2012)	
REVENUES					
Local Sources				\$	-
State Sources					-
Federal Sources	11,473	13,361	157,176	5,825	187,835
Total Revenues	11,473	13,361	157,176	5,825	187,835
EXPENDITURES:					
Instruction:					
Salaries of Teachers					-
Other Salaries for Instruction					-
Purchased Professional - Educational Services		13,361			13,361
Purchased Professional and Technical Services					-
Other Purchased Services (400-500 series)					-
General Supplies					-
Textbooks					-
Other Objects					-
Total instruction	-	13,361	-	-	13,361
Support services:					
Salaries of Other Professional Staff			55,420		55,420
Salaries -Support Staff					-
Other Salaries					-
Personal Services - Employee Benefits					-
Tuition			94,906	5,825	100,731
Purchased Professional Services					-
Other Purchased Professional Services					-
Purchased Technical Services					-
Rentals					-
Travel					-
Other Purchased Services (400-500 series)			6,850		-
Supplies & Materials	11,473				18,323
Total support services	11,473	-	157,176	5,825	174,474

Oceanport Borough Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Title I	Title II Part A	I.D.E.A. Part B		Total
			Basic (2011-2012)	Preschool (2011-2012)	
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Buildings					-
Instructional Equipment					-
Noninstructional Equipment					-
Total facilities acquisition and const. serv.	-	-	-	-	-
Transfer to Charter Schools					-
Total Expenditures	11,473	13,361	157,176	5,825	187,835
Other Financing Sources (Uses)					
Transfer In from General Fund					-
Contribution to Whole School Reform	-	-	-	-	-
Total Outflows	11,473	13,361	157,176	5,825	187,835
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

Fiduciary Funds are used to account for funds received by the school district for a specific purpose. Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

Exhibit H-3

OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Schools</u>	<u>Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance</u>
Elementary Schools:				
Maple Place	\$ 25,256	\$ 47,002	\$ 52,283	\$ 19,975
Maple Place-8th Grade	3,218	37,783	38,133	2,868
Wolf Hill	5,745	47,608	46,207	7,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>34,219</u>	\$ <u>132,393</u>	\$ <u>136,623</u>	\$ <u>29,989</u>

Exhibit H-4

OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Disbursements	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	\$ 91,133	\$ 7,766,582	\$ 7,852,409	\$ 5,306
Due from General Fund	<u>211,882</u>	<u>312,825</u>	<u>211,882</u>	<u>312,825</u>
Total assets	\$ <u>303,015</u>	\$ <u>8,079,407</u>	\$ <u>8,064,291</u>	\$ <u>318,131</u>
 LIABILITIES:				
Payroll deductions and withholdings	\$ 91,133	\$ 7,766,582	\$ 7,852,409	\$ 5,306
Accrued salaries and wages	<u>211,882</u>	<u>312,825</u>	<u>211,882</u>	<u>312,825</u>
Total liabilities	\$ <u>303,015</u>	\$ <u>8,079,407</u>	\$ <u>8,064,291</u>	\$ <u>318,131</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, mortgages payable, term loans and obligations under capital leases.

OCEANPORT BOROUGH BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2012		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
Refunding School Bonds; Advance refunded \$721,500 of the Bonds originally issued on 1/2/97	4/3/2006	732,000			3.5% - 5.00%	129,000		129,000	\$ -
Alterations and Renovations at Maple Place & Wolf Hill Schools	12/15/2006	2,135,000	8/1/2012	100,000	4.0% - 4.125%	\$ 1,890,000		\$ 95,000	\$ 1,795,000
			8/1/2013	105,000					
			8/1/2014	110,000					
			8/1/2015	115,000					
			8/1/2016	120,000					
			8/1/2017	125,000					
			8/1/2018	130,000					
			8/1/2019	135,000					
			8/1/2020	135,000					
			8/1/2021	140,000					
			8/1/2022	140,000					
			8/1/2023	145,000					
			8/1/2024	145,000					
			8/1/2025	150,000					
Total						\$ 2,019,000	\$ -	\$ 224,000	\$ 1,795,000

* The bonds associated with this issuance were refunded with the Refunding School bonds issued on 4/3/06 (See Note 5 for additional information.)

OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2012

Series	Amount of Original Issue	Amount Outstanding July 1, 2012	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2012
Xerox 4250XF/4260XF Copiers	\$ 53,233	\$ 50,383	\$	10,647	\$ 39,736
		\$ 50,383	\$ 0	10,647	\$ 39,736

**Oceanport Borough Board of Education
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 247,818	\$ (247,818)		\$ 247,818	\$ 247,818
Debt Service Aid Type II	57,888	(57,888)		57,888	57,888
Total Revenues	305,706	(305,706)	-	305,706	305,706
EXPENDITURES:					
Regular Debt Service:					
Interest	81,706	(81,706)		78,481	78,481
Redemption of Principal	224,000	(224,000)		224,000	224,000
Total Regular Debt Service	305,706	(305,706)	-	302,481	302,481
Total expenditures	305,706	(305,706)	-	302,481	302,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	3,225	3,225
Other Financing Sources:					
Operating Transfers In:					
Transfer - General Fund		-			-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	3,225	3,225
Fund Balance, July 1		-			-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 3,225	\$ 3,225
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 3,225	\$ 3,225

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

**Oceanport Borough Board of Education
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	72-78
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	79-82
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	83-86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	87-88
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	89-94

FINANCIAL TRENDS

Exhibit J-1

OCEANPORT BOROUGH BOARD OF EDUCATION
Net Assets by Component,
For the Year Ended June 30, 2012
(accrual basis of accounting)

	<u>2012</u>
Governmental activities	
Invested in capital assets, net of related debt	\$ 3,731,111
Restricted	864,255
Unrestricted	<u>(267,596)</u>
Total governmental activities net assets	<u>\$ 4,327,770</u>
Business-type activities	
Invested in capital assets, net of related debt	\$ 30,579
Restricted	
Unrestricted	<u>(69,185)</u>
Total business-type activities net assets	<u>\$ (38,606)</u>
District-wide	
Invested in capital assets, net of related debt	\$ 3,761,690
Restricted	864,255
Unrestricted	<u>(336,781)</u>
Total district net assets	<u>\$ 4,289,164</u>

Exhibit J-2

OCEANPORT BOROUGH BOARD OF EDUCATION
Changes in Net Assets
For the Year Ended June 30, 2012
(accrual basis of accounting)

	<u>2012</u>
Expenses	
Governmental activities	
Instruction	
Regular	\$ 3,756,942
Special education	1,159,807
Other special education	136,749
Vocational	
Other instruction	141,134
Nonpublic school programs	
Adult/continuing education programs	
Support Services:	
Tuition	104,091
Student & instruction related services	1,888,810
School Administrative services	480,790
General administration	479,282
Central Services	
Plant operations and maintenance	1,129,527
Administrative information technology	
Pupil transportation	410,821
Other support services	370,199
Unallocated Benefits	
Education Jobs Fund	32,076
Compensation Absences	52,855
Interest on long-term debt	75,794
Unallocated depreciation	
Total governmental activities expenses	<u>10,218,877</u>
Business-type activities:	
Food service	182,843
Child Care	
Total business-type activities expense	<u>182,843</u>
Total district expenses	<u>\$ 10,401,720</u>
 Program Revenues	
Governmental activities:	
Charges for services:	
Instruction (tuition)	\$ 207,423
Pupil transportation	
Central and other support services	
Operating grants and contributions	1,030,034
Capital grants and contributions	94,024
Total governmental activities program revenues	<u>1,331,481</u>

Exhibit J-2

OCEANPORT BOROUGH BOARD OF EDUCATION
Changes in Net Assets
For the Year Ended June 30, 2012
(accrual basis of accounting)

	<u>2012</u>
Business-type activities:	
Charges for services	
Food service	140,583
Child care	
Operating grants and contributions	37,961
Capital grants and contributions	
Total business type activities program revenues	<u>178,544</u>
Total district program revenues	<u><u>\$ 1,510,025</u></u>
Net (Expense)/Revenue	
Governmental activities	\$ (8,887,396)
Business-type activities	(4,299)
Total district-wide net expense	<u><u>\$ (8,891,695)</u></u>
General Revenues and Other Changes in Net Assets	
Governmental activities:	
Property taxes levied for general purposes, net	\$ 8,828,063
Taxes levied for debt service	247,818
Unrestricted grants and contributions	384,085
Payments in lieu of taxes	
Tuition Received	
Investment earnings	6,120
Miscellaneous income	72,892
Transfers	131,494
Other Adjustments	355,877
Total governmental activities	<u>10,026,349</u>
Business-type activities:	
Investment earnings	27
Transfers	
Total business-type activities	<u>27</u>
Total district-wide	<u><u>\$ 10,026,376</u></u>
Change in Net Assets	
Governmental activities	\$ 1,138,953
Business-type activities	(4,272)
Total district	<u><u>\$ 1,134,681</u></u>

Exhibit J-3

OCEANPORT BOROUGH BOARD OF EDUCATION
Fund Balances, Governmental Funds,
For the Year Ended June 30, 2012
(modified accrual basis of accounting)

	<u>2012</u>
General Fund	
Reserved	\$ 864,255
Unreserved	194,304
Total general fund	<u>\$ 1,058,559</u>
All Other Governmental Funds	
Reserved	
Unreserved, reported in:	
Special revenue fund	
Capital projects fund	
Debt service fund	3,225
Permanent fund	
Total all other governmental funds	<u>\$ 3,225</u>

OCEANPORT BOROUGH BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Local Tax levy	\$ 9,075,881	\$ 8,941,589	\$ 8,676,596	\$ 7,492,505	\$ 7,080,883	\$ 6,758,157	\$ 6,437,266	\$ 6,059,623	\$ 5,744,566	\$ 5,429,624
Tuition	207,423	150,947	995,090	836,142	734,197	634,626	493,587	671,930	557,667	586,242
Other Local Revenue	79,012	29,451	46,910	92,451	52,556	92,485	100,238	53,820	20,112	20,112
State sources	1,297,034	944,857	1,441,277	1,229,704	1,659,926	1,584,696	1,466,670	1,189,701	1,121,953	1,005,811
Federal sources	211,109	335,367	273,817	180,007	198,750	198,351	37,346	213,570	199,853	169,530
Total revenue	<u>10,870,459</u>	<u>10,402,211</u>	<u>11,433,690</u>	<u>9,805,721</u>	<u>9,726,312</u>	<u>9,268,315</u>	<u>8,535,107</u>	<u>8,188,644</u>	<u>7,629,648</u>	<u>7,211,319</u>
Expenditures										
Instruction:										
Regular	2,716,327	2,722,758	3,198,217	3,162,973	3,071,654	3,029,208	2,914,967	2,931,228	2,874,599	2,788,067
Special	841,551	759,389	1,074,718	981,966	899,623	694,795	534,328	435,189	356,255	275,470
Other	99,225	33,742	38,635	13,442	11,772	50,293	34,787	20,579	19,834	32,730
School-Sponsored/Other Instructional	102,406	84,991	96,858	96,403	71,138	67,801	64,731	61,659	59,892	59,713
Total Instruction	<u>3,759,509</u>	<u>3,600,880</u>	<u>4,408,428</u>	<u>4,254,784</u>	<u>4,054,187</u>	<u>3,842,097</u>	<u>3,548,813</u>	<u>3,448,655</u>	<u>3,310,580</u>	<u>3,155,980</u>
Undistributed:										
Instruction	2,438	12,171	1,014,140	139,321	285,879	376,180	481,284	511,532	484,792	459,242
Support Services-Students	1,317,005	1,169,358	911,333	674,898	682,971	707,857	563,676	579,786	607,975	586,333
General Administration	310,254	284,935	275,595	280,486	239,796	250,635	247,933	232,989	182,223	187,535
School Administration	348,859	353,290	374,638	377,507	363,717	253,690	255,166	236,657	268,992	255,921
Operations and Maintenance	721,168	771,897	670,643	972,895	835,292	875,376	853,354	813,206	610,152	558,005
Student Transportation	298,090	360,927	382,178	282,930	356,845	334,269	331,594	291,519	301,999	290,765
Business and Other Support Services:	268,615	236,615	308,459							
Unallocated Benefits	1,881,543	1,868,794	1,760,704	1,629,500	1,403,219	1,240,022	1,168,092	1,087,771	999,802	903,121
Other		-	-	-	-	-	-	-	176,347	174,338
On-behalf TPAF Pension Contributions	454,011	314,246	294,784	280,341	731,324	699,500	397,106	324,317	283,750	200,985
Reimbursed TPAF Social Security										
Contributions	330,300	311,221	362,194	334,352	303,821	303,811	288,384	291,438	285,421	272,857
Education Job Fund	23,274									
Total Undistributed	<u>5,955,557</u>	<u>5,663,662</u>	<u>6,354,668</u>	<u>4,972,230</u>	<u>5,202,864</u>	<u>5,041,340</u>	<u>4,586,589</u>	<u>4,369,215</u>	<u>4,201,453</u>	<u>3,889,102</u>
Capital Outlay:										
Increase in Capital Reserve		78,278			48,325	35,765	21,021	47,950	91,481	45,100
Equipment										107,879
Facilities Acquisition and Construction										
Services	353,256				32,059					56
Assets Acquired Under Capital Leases		53,233			-	22,557	12,120	123,905		
Total Capital Outlay	<u>353,256</u>	<u>131,511</u>	<u>-</u>	<u>-</u>	<u>80,384</u>	<u>58,322</u>	<u>33,141</u>	<u>171,855</u>	<u>91,481</u>	<u>153,035</u>
Total General Fund Expenditures	<u>10,068,322</u>	<u>9,396,053</u>	<u>10,763,096</u>	<u>9,227,014</u>	<u>9,337,435</u>	<u>8,941,759</u>	<u>8,168,543</u>	<u>7,989,725</u>	<u>7,603,514</u>	<u>7,198,117</u>
Special Revenue:										
Federal	187,835	335,367	273,817	180,007	198,750	198,243	211,231	212,803	198,115	169,530
State	-	-	-	-	-	436	30,238	4,108	5,818	35,103
Other	-	-	-	19,822	16,527	25,423	39,968	31,707		3,480
Total Special Revenue Expenditures	<u>187,835</u>	<u>335,367</u>	<u>273,817</u>	<u>199,829</u>	<u>215,277</u>	<u>224,102</u>	<u>281,437</u>	<u>248,618</u>	<u>203,933</u>	<u>208,113</u>
Debt Service Expenditures	<u>302,481</u>	<u>309,755</u>	<u>300,837</u>	<u>300,944</u>	<u>234,992</u>	<u>142,420</u>	<u>133,476</u>	<u>131,548</u>	<u>118,334</u>	<u>112,695</u>
Total Governmental Fund Expenditures	<u>10,558,638</u>	<u>10,041,175</u>	<u>11,337,750</u>	<u>9,727,787</u>	<u>9,787,704</u>	<u>9,308,281</u>	<u>8,583,456</u>	<u>8,369,891</u>	<u>7,925,781</u>	<u>7,518,925</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>311,821</u>	<u>361,036</u>	<u>95,940</u>	<u>77,934</u>	<u>(61,392)</u>	<u>(39,966)</u>	<u>(48,349)</u>	<u>(181,247)</u>	<u>(296,133)</u>	<u>(307,606)</u>

OCEANPORT BOROUGH BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)										
Capital leases (non-budgeted)		53,233				22,557	12,120	123,905	-	-
Adjustment - accounts payable	131,494	3,624		966		38,791	(34,763)	161,222	-	-
Transfers in		(3,624)		(966)		(14,500)	-	-	-	-
Transfers out	131,494	53,233				46,848	(13,700)	(36,300)	-	-
Total other financing sources (uses)			-	-	-		(36,343)	248,827	-	-
Net change in fund balances	443,315	414,269	95,940	77,934	\$ (61,392)	\$ 6,882	\$ (84,692)	\$ 67,580	\$ (296,133)	\$ (307,606)
Debt service as a percentage of noncapital expenditures	2.96%	3.13%	2.65%	3.09%	2.42%	1.54%	1.56%	1.60%	1.51%	1.53%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

OCEANPORT BOROUGH BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TRANSPORATION FEES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2003	586,242	5,963	-	253	\$ 592,458
2004	557,667	2,839	-	2,770	\$ 563,276
2005	671,930	18,719	-	3,394	\$ 694,043
2006	493,587	33,442	-	26,427	\$ 553,456
2007	634,626	47,585	-	19,477	\$ 701,688
2008	734,197	21,694	5,824	8,511	\$ 770,226
2009	836,142	2,302	-	44,273	\$ 882,717
2010	725,005	2,111	-	74,369	\$ 801,485
2011	150,947	4,301	-	25,150	\$ 180,398
2012	207,423	6,120	-	72,892	\$ 286,435

REVENUE CAPACITY

Exhibit J-6

**OCEANPORT BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2002	490,338,528	722,438,729	67.87%
2003	494,893,142	868,022,177	57.01%
2004	491,851,779	956,310,122	51.43%
2005	1,331,987,553	956,310,122	51.43%
2006	1,336,274,205	1,336,274,205	100.00%
2007	1,343,248,981	1,343,248,981	100.00%
2008	1,356,182,207	1,356,182,207	100.00%
2009	1,356,182,207	1,356,182,207	100.00%
2010	1,045,954,002	1,311,705,545	79.74%
2011	1,048,364,465	1,215,635,975	86.24%

Source: Abstract of Ratables, County Board of Taxation.

**OCEANPORT BOROUGH BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

Assessment Year	Oceanport School District	Borough of Oceanport	Monmouth County	Shore Regional School	Library	Health Budget	Open Space Fund Tax	Total
2002	1.17	0.63	0.55	0.56	0.03	0.01	0.04	2.99
2003	1.17	0.63	0.55	0.56	0.03	0.01	0.06	3.01
2004	1.22	0.63	0.66	0.64	0.03	0.01	0.02	3.21
2005	1.31	0.66	0.66	0.64	0.03	0.01	0.02	3.33
* 2006	0.51	0.29	0.23	0.24	0.01	0.01	0.02	1.31
2007	0.52	0.31	0.24	0.24	0.01	0.01	0.02	1.35
2008	0.57	0.34	0.23	0.23	0.01	0.01	0.02	1.41
2009	0.57	0.36	0.24	0.26	0.01	0.00	0.02	1.47
2010	0.76	0.50	0.34	0.36	0.02	0.01	0.02	2.01
2011	0.76	0.51	0.29	0.42	0.02	0.01	0.04	2.04

Source: Municipal Tax Collector and Board of Taxation
* Revaluation

Exhibit J-8

**OCEANPORT BOROUGH BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2011**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>As a % of District's Net Assessed Valuation</u>
New Jersey Sports and Exposition Authority	\$ 54,559,300	5.22%
MPCC II, LLC	20,183,800	1.93%
New Jersey Sports and Exposition Authority	15,809,800	1.51%
New Jersey Sports and Exposition Authority	7,311,100	0.70%
New Jersey Sports and Exposition Authority	6,499,200	0.62%
Individual Taxpayer #1	3,047,800	0.29%
Individual Taxpayer #2	2,742,600	0.26%
Individual Taxpayer #3	2,437,400	0.23%
Individual Taxpayer #4	2,355,300	0.23%
New Jersey Sports and Exposition Authority	<u>2,350,000</u>	<u>0.22%</u>
Total	\$ <u>117,296,300</u>	<u>11.21%</u>

Source: Municipal Tax Assessor

Exhibit J-9

**OCEANPORT BOROUGH BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2002	14,002,123	13,767,888	98.33%
2003	14,867,193	14,710,120	98.94%
2004	15,823,457	15,638,629	98.83%
2005	16,316,305	16,160,497	99.04%
2006	17,444,116	17,276,986	99.04%
2007	18,064,598	17,880,627	98.98%
2008	19,112,453	18,910,637	98.98%
2009	20,052,564	19,698,006	98.23%
2010	20,848,566	20,551,194	98.57%
2011	21,465,588	21,228,231	98.89%

Source: Municipal Tax Collector

DEBT CAPACITY

Exhibit J-10

OCEANPORT BOROUGH BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
For the Year Ended June 30, 2012

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	<u>Total District</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Capital Leases</u>			
2012	\$ 1,795,000	\$ 39,736	\$ -	\$ 1,834,736	0.55%	\$ 314

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Exhibit J-11

**OCEANPORT BOROUGH BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2003	5,807	490,338,528	1,021,500	0.21%	176
2004	5,820	494,893,142	926,000	0.19%	159
2005	5,849	491,851,779	826,000	0.17%	141
2006	5,807	1,331,987,553	732,000	0.05%	126
2007	5,751	1,336,274,205	2,750,000	0.21%	478
2008	5,768	1,343,248,981	2,633,000	0.20%	456
2009	5,733	1,356,186,207	2,438,000	0.18%	425
2010	5,730	1,045,954,002	2,235,000	0.21%	390
2011	5,832	1,048,364,465	2,019,000	0.19%	346
2012	5,837	1,050,192,330	1,795,000	0.17%	308

Source: Data regarding school district population was given by school district officials.

Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

Exhibit J-12

**OCEANPORT BOROUGH BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Net Direct Debt of School District as of June 30, 2012		\$ 1,795,000
Net Overlapping Debt of School District:		
Oceanport Borough	\$ 29,293,794	
* County of Monmouth-Borough's Share	3,766,684	
* Utility Authority - Borough's Share	<u>3,458,404</u>	
Total Net Overlapping Debt of School District		<u>36,518,882</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2012		\$ <u><u>38,313,882</u></u>

Source: Borough of Oceanport Chief Financial Officer and Monmouth County Treasurer's Office and Two River Sewerage Authority.

* Since updated information was not available at the time of the audit, prior year information was reported.

Exhibit J-13

**OCEANPORT BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN
FOR FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

<u>Year</u>	<u>Equalized Valuation Basis</u>	
2011	\$ 1,117,005,750	
2010	1,305,515,803	
2009	<u>1,301,571,497</u>	
	<u><u>3,724,093,050</u></u>	
Average equalized valuation of taxable property		\$ 1,241,364,350
School borrowing margin (3% of \$1,241,364,350)	\$ 37,240,931	
Net bonded school debt as of June 30, 2012	<u>1,795,000</u>	
School borrow margin available	\$ <u><u>35,445,931</u></u>	

Source: 2008 Annual Debt Statement from the Borough of Oceanport and District Records

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

**OCEANPORT BOROUGH BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Monmouth County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2002	4.70%	42,821	5,869
2003	4.70%	42,965	5,881
2004	4.00%	46,069	5,885
2005	2.10%	47,694	5,857
2006	3.50%	51,437	5,813
2007	2.00%	55,826	5,763
2008	2.60%	56,755	5,733
2009	8.50%	56,755	5,730
2010	4.30%	54,771	5,832
2011	4.40%	56,955 *	5,837

Source: Per Capita Income of County of Monmouth from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

N/A: Not Available

* 2010 revised Per Capita Personal Income used, as 2011 information is not yet available.

J-15

**OCEANPORT BOROUGH BOARD OF EDUCATION
Principal Employers,
Current Year**

2012			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A	N/A	N/A	N/A
	-		-

NA - Data Not Available

OPERATING INFORMATION

Exhibit J-16

OCEANPORT BOROUGH BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2011

<u>Function/Program</u>	<u>2012</u>
Instruction	
Regular	46
Special education	38
Other special education	
Vocational	
Other instruction	
Nonpublic school programs	
Adult/continuing education programs	
Support Services:	
Student & instruction related services	3
General administration	2
School administrative services	3
Other administrative services	0
Central services	5
Administrative Information Technology	1
Plant operations and maintenance	5
Pupil transportation	0
Other support services	2
Special Schools	
Food Service	
Child Care	
Total	<u><u>105</u></u>

Source: District Personnel Records

OCEANPORT BOROUGH BOARD OF EDUCATION
Operating Statistics,
For the Year Ended June 30, 2012

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	650	9,902,901	\$ 15,235	-11.4%	84	44	40	0	647	616	14.3%	95%

Sources: District records

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b Teaching staff includes only full-time equivalents of certificated staff.
- ^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

OCEANPORT BOROUGH BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>										
<u>Elementary</u>										
Wolf Hill:										
Square Feet	42,887	42,887	42,887	42,887	42,887	42,887	42,887	42,887	42,887	42,887
Capacity (students)	365	365	365	365	465	465	465	465	465	465
Enrollment	402	403	396	383	382	382	382	382	278	278
<u>Middle School</u>										
Maple Place:										
Square Feet	57,079	57,079	57,079	57,079	57,079	57,079	57,079	57,079	57,079	57,079
Capacity (students)	266	266	266	266	366	366	366	366	366	366
Enrollment	362	349	342	327	336	336	336	336	288	288
<u>High School</u>										
N/A										
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
<u>Other</u>										
N/A										
Square Feet										
Number of Schools at June 30, 2009										
Elementary =										
Middle School =										
Senior High School =										
Other =										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

NA Not Available

N/A Not Applicable

Exhibit J-19

**Oceanport Borough Board of Education
General Fund
Schedule Of Required Maintenance For School Facilities
For the Year Ended June 30, 2012**

<u>*School Facilities</u>	<u>Project Number</u>	<u>2012</u>
Maple Place		63,536
Wolf Hill		69,166
Total School Facilities		<u><u>\$132,702</u></u>

*School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**OCEANPORT BOROUGH BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2012
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Multi-Peril Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Blanket Building & Contents	\$ 13,298,534	\$ 2,500
Comprehensive General Liability (Including Broadening Endorsement):	1,000,000/2,000,000	
Medical Coverage - Each Person	5,000/Person	
Products Liability		
Incidental Malpractice Liability		
Broad Form Property Damage		
Employee Benefits Liability		
Elevator Liability		
Corporal Punishment Liability		
Teachers Liability		
Athletic Participation		
Nonowned and Hired Auto Coverage		
Statutory Liability	1,000,000	
World-Wide Class Trip Coverage		
Employees & Volunteers Included as Additional Insured for Auto Coverage		
Money & Securities	\$2,000 In/3,000 Out	None
Computer Equipment	410,219	
In Transit Equipment Media	40,022	
Earthquake	13,298,534	5% of Building
Audio & Musical Equipment and Uniforms	62,520	
Property Off Premises	10,000	
Miscellaneous Property/Uniforms	2,795	
Excess Liability Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Provides Excess School Board Liability Coverage, Asbestos and Pollutions Exclusions	\$ 10,000,000	\$
Worker's Compensation Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Payrolls:		
\$ - Professional Employees		
\$ - Nonprofessional Employees		
Experience Modification -		

Source: District Records

**OCEANPORT BOROUGH BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2012
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Automobile Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
CSL Liability & CSL Uninsured Motorists	1,000,000	
Comprehensive Deductible		100
Collision Deductible		250
Covers Hired and Nonowned		
 Boiler & Machinery Insurance Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Selective Insurance Company's Systems Power Pac is included on Package		
 School Board Legal Liability Policy - NJBAIG Insurance Company - July 1, 2010-July 1, 2011		
Coverage A	5,000,000	5,000
Coverage B:		
Each Claim	100,000	5,000
Each Policy Period	300,000	
Covers all employees and Board Members/Discrimination claims		
 Honest Blanket Position Bond - Selective Insurance Company - July 1, 2010-July 1, 2011		
Fidelity Coverage - All Employees		
Limit Per Loss	5,000	
 Fidelity Bond Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Covers Board Secretary		
Limit Per Loss	100,000	
 Fidelity Bond Policy - Selective Insurance Company - July 1, 2010-July 1, 2011		
Covers Treasurer of Moneys		
Limit Per Loss	175,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountants

485 Morris Avenue

Springfield, New Jersey 07081

(973) 379-6868

FAX (973) 379-6278

MEMBER:

American Society of Certified Public Accountants

New Jersey Society of Certified Public Accountants

K-1

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and
Members of the Board of Education
School District of the Borough of Oceanport
County of Monmouth
Oceanport, New Jersey

We have audited the general-purpose financial statements of the Oceanport Borough Board of Education, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oceanport Borough Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Oceanport Borough Board of Education in the separate *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 30, 2012.

Internal Control Over Financial Reporting


In planning and performing our audit, we considered the Oceanport Borough Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oceanport Borough Board of Education's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all the deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the Oceanport Borough Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2012

CANNONE AND COMPANY, P.A.
Certified Public Accountants
 485 Morris Avenue
 Springfield, New Jersey 07081
 (973) 379-6868
 FAX (973) 379-6278

MEMBER:
 American Society of Certified Public Accountants
 New Jersey Society of Certified Public Accountants

K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
 MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
 IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
 NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and
 Members of the Board of Education
 School District of the Borough of Oceanport
 County of Monmouth
 Oceanport, New Jersey

Compliance

We have audited the compliance of the Oceanport Borough Board of Education, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012. The Oceanport Borough Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Oceanport Borough Board of Education's management. Our responsibility is to express an opinion on the Oceanport Borough Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could

have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Oceanport Borough Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Oceanport Borough Board of Education's compliance with those requirements.

In our opinion, the Oceanport Borough Board of Education, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

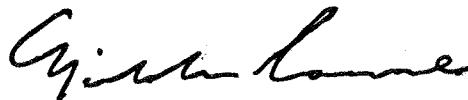
The management of the Oceanport Borough Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Oceanport Borough Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oceanport Borough Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management of the Oceanport Borough Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Nicholas A. Cannone".

Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2012

OCEANPORT BOROUGH BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011 Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Deferred Revenue June 30, 2012	(Accounts Receivable) June 30, 2012	Due to Grantor at June 30, 2012
J.S. Department of Agriculture Passed-through State Department of Education:														
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	\$ 22,918	\$ (969)	\$	\$	\$	\$ 21,941	\$ (22,918)	\$	\$	\$ (977)	\$
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	20,998					969					
Total U.S. Department of Agriculture					(969)	0	0	0	22,910	(22,918)	0	0	(977)	0
J.S. Department of Education Passed-through State Department of Education:														
No Child Left Behind Title I, (P.L. 103-382)	84.010A	NCLB383009	9/1/11-8/31/12	11,473					11,473	(11,473)				
Title I, (P.L. 103-382)	84.010A	NCLB383009	9/1/10-8/31/11	11,471	(11,471)			11,471						
Title II:														
Part A	84.010A	NCLB383009	9/1/11-8/31/12	13,361					13,361	(13,361)				
Part A	84.010A	NCLB383009	9/1/10-8/31/11	14,156	(14,156)			14,156						
Part D	84.010A	NCLB383009	9/1/10-8/31/11	30	(30)			30						
I.D.E.A., Part B Basic, Regular	84.027	IDEA383009	9/1/11-8/31/12	157,176					157,176	(157,176)				
I.D.E.A., Part B, Preschool	84.027	IDEA383004C	9/1/11-8/31/12	5,825					5,825	(5,825)				
ARRA-I.D.E.A., Preschool	84.392	IDEA383004C	9/1/09-8/31/10	5,221		514			23,274	(23,274)	(514)			
Education Jobs Fund			10/1/11-9/30/12	23,274										
Total U.S. Department of Education					(25,657)	0	0	25,657	211,109	(211,109)	0	0	0	0
Total Federal Financial Assistance					(26,626)	\$ 0	\$ 0	\$ 25,657	\$ 234,019	\$ (234,027)	\$ 0	\$ 0	\$ (977)	\$ 0

See accompanying notes to schedules of financial assistance.

OCEANPORT BOROUGH BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2011		Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2012		Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor					GAAP Budgetary Deferred Revenue	GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Accounts Receivable
State Department of Education													
General Fund:													
Special Education Aid	12-495-034-5120-011	7/1/11-6/30/12	\$ 329,730	\$	\$	\$	\$ 298,280	\$ (329,730)	\$	\$	\$	\$ (31,450)	\$ 329,730
Special Education Aid	11-495-034-5120-011	7/1/10-6/30/11	149,288	(12,899)			12,899						149,288
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	11,826				10,754	(11,826)				(1,072)	11,826
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	11,826	(1,026)			1,026						11,826
Adjustment Aid	12-495-034-5120-085	7/1/11-6/30/12	33,393				30,177	(33,393)				(3,216)	33,393
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	9,439	(733)			733						9,439
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	6,942					(6,942)			(6,942)	(6,942)	6,942
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	15,501	(15,501)			15,501						15,501
Non-Public Transportation Aid		7/1/11-6/30/12	3,087				3,087	(3,087)					3,087
On Behalf of TPAF Pension Contributions	12-495-034-5095-006	7/1/11-6/30/12	150,822				150,822	(150,822)					
On Behalf of TPAF Post Retirement Medical Benefits	12-495-034-5095-001	7/1/11-6/30/12	303,189				303,189	(303,189)					
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	330,300	(330,300)			298,852	(330,300)			(31,448)	(31,448)	330,300
Total General Fund				\$ (360,459)	\$ 0	\$ 0	\$ 1,125,320	\$ (1,169,289)	\$ 0	\$ 0	\$ (38,390)	\$ (74,128)	\$ 901,332
Enterprise Fund:													
National School Lunch Program (State Share)	12-100-034-5120-065	7/1/11-6/30/12	1,650				1,517	(1,650)			(133)	(133)	1,650
National School Lunch Program (State Share)	11-100-034-5120-065	7/1/10-6/30/11	1,693	(87)			87						1,693
Total Enterprise Fund				\$ (87)	\$ 0	\$ 0	\$ 1,604	\$ (1,650)	\$ 0	\$ 0	\$ (133)	\$ (133)	\$ 3,343
Total State Financial Assistance				\$ (360,546)	\$ 0	\$ 0	\$ 1,126,924	\$ (1,170,939)	\$ 0	\$ 0	\$ (38,523)	\$ (74,261)	\$ 904,675

See accompanying notes to schedules of financial assistance.

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THE OCEANPORT BOROUGH BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2012

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Oceanport Borough Board of Education.

The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is \$(21,080) and for the Special Revenue Fund is \$0. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 23,274	\$ 1,145,122	\$ 1,168,396
Special Revenue Fund	187,835		\$ 187,835
Capital Projects		94,024	\$ 94,024
Debt Service		57,888	\$ 57,888
Food Service	36,265	1,696	\$ 37,961
	<u>36,265</u>	<u>1,696</u>	<u>\$ 37,961</u>
Total Financial Assistance	<u>\$ 247,374</u>	<u>\$ 1,298,730</u>	<u>\$ 1,546,104</u>

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THE OCEANPORT BOROUGH BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated
November 30, 2012

Internal control over financial reporting:

1. Material weakness(es) identified? yes ✓ no

2. Significant Deficiencies identified that are not
considered to be material weaknesses? yes ✓ none reported

Noncompliance material to general-purpose financial
statements noted? yes ✓ no

Federal Awards and State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? yes ✓ no

2. Significant Deficiencies identified that are not
considered to be material weaknesses? yes ✓ none reported

Type of auditor's report issued on compliance for major programs: Unqualified, dated
November 30, 2012

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? yes ✓ no

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04? yes ✓ no

**OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results (Continued)

Federal Awards and State Financial Assistance (Continued)

Dollar threshold used to distinguish between
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ yes no

Identification of major programs: Name of State Program or Cluster

Federal Awards:

None

State Financial Assistance:

State Grant Number

12-495-034-5095-002 Reimbursed TPAF
Social Security Contributions

12-495-034-5120-011 Special Education Aid
(State Aid Public Cluster)

12-495-034-5120-084 Security Aid
(State Aid Public Cluster)

12-495-034-5120-085 Adjustment Aid
(State Aid Public Cluster)

**OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section II - Schedule of Financial Statement Findings

No findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

**OCEANPORT BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section III - Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

The audit did not disclose any findings and questioned costs.

**OCEANPORT BOROUGH BOARD OF EDUCATION
COUNTY OF MONMOUTH
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

Corrective action had been taken on all prior year findings.